Efficiency and Equity: the Forgotten Elements

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Economic growth is an imperative we must embrace to develop sustainable communities in the Northern Forest. Economic growth, however, is not among the four elements necessary for sustainable development. In fact, it's a primary source of unsustainability. Yet growth is still necessary for our first steps on the right path and now, more than ever before, we must answer the question: economic growth for whom?

I have witnessed thirty years of the struggle to find a balance between ecological integrity and economic growth. On the one hand, the need to preserve and restore vast portions of the planet's life support system supersedes all other priorities. On the other, humans have to live, too. In the Northern Forest, we have finally gotten business interests to support the vital effort to maintain and restore the ecological integrity of the region. Without ecological integrity after all, a sustainable supply of forest-based resources, the bread and butter of business in the Northern Forest, and the demand for its amenities would slow and decline. We have finally minimized, thankfully, the ignorant and dangerous idea of economic growth at the expense of ecological integrity.

In the Adirondacks, the struggle to promote ecological integrity led to progress on the second element necessary for sustainability. Regrettably, though necessary at the time, environmental interests sought to promote ecological integrity through a top-down approach putting regional and international concerns before local concerns. This approach created a tremendous backlash against the Adirondack Park Agency (APA) and the 21st Century Commission. The storm cloud's silver lining: people of the Adirondacks became more empowered. The perceived threat to their livelihoods, culture and political power galvanized Park residents to assume a greater role in determining their own future.

The need to achieve economic efficiency, the third element, is less well understood than the need for ecological integrity or even the importance of empowerment in developing sustainable communities. Unlike other ideas of efficiency, economic efficiency does not mean more for less. Economic efficiency means producing the right amount of a good or service at the right price. Unfortunately, economic efficiency is difficult to achieve and often ignored in our efforts to promote economic growth.

Economic efficiency requires that all benefits and costs be internalized. If spillover costs exist, others are essentially subsidizing overproduction. An example is a huge tourist event in Lake Placid that overwhelms its sewerage system, spilling sewage into the Ausable River and affecting communities downstream. The businesses and tourists in Lake Placid that benefit do not compensate the downstream communities for their losses. Nor do they pay all the costs of expanding the system to support their activity. In addition, huge tourist events impose increased social costs on the community of Lake Placid such as increased traffic, crime and the loss of convenience and neighborliness. The benefiting businesses don't have to pay these costs before counting their profits. The result is overproduction — huge events rather than more modest but sustainable levels of tourism.

The fourth element needed to develop sustainable communities is equity or fairness — the only real justification for promoting economic growth. Supposedly, growth is needed to overcome poverty. Americans, however, are generally insensitive to this issue. Perhaps it's because Jesus said the poor would always be with us. Perhaps it's because we believe anyone can get ahead in America if they apply themselves. Of course, we also believe that without the threat of poverty there's little incentive to work. Besides, poverty in America is cushy. The poorest 30 million Americans receive more than the poorest four billion in the rest of the world.

Nevertheless, achieving equity is as necessary to sustainability as achieving ecological integrity, empowerment or economic efficiency. At the global level, our failure to achieve equity will lead to the destruction of
civilization even before the planet’s life support systems fail. We already see the beginning of the destructive spiral in the rise of terrorism and the proliferation of weapons of mass destruction.

Simplistically, the justification for economic growth is the “trickle down theory” or the notion that “a rising tide lifts all ships.” A growing economy, even without changing the distribution of income and wealth, leads to an improvement for all. The reality of conventional economic growth, however, has led to “the rich getting richer and the poor getting poorer.” The gap between rich and poor is unconscionably wide and getting wider. The World Bank reports that since the 1960s the gap between the richest and poorest has more than tripled. Now the richest 20 percent of the world’s population receives 82.7 percent of the world’s economic product and the poorest fifth receives only 1.4 percent. Eighty percent of the world’s population lives below what we call the poverty level and faces a daily reality that we find hardly imaginable.

In America we are relatively well-off, but our growing population and persistent poverty rate means more and more millions of Americans in poverty, many of whom live in rural areas like the Northern Forest. In New York, according to a 1997 report by Environmental Advocates, “... the Adirondack Region has the highest percentage of people in poverty and the highest percentage of households receiving public assistance.” The rest of the Northern Forest is similarly afflicted by poverty’s effects: poor housing, unemployment, job insecurity, low pay, poor working conditions, bad diet and poor health care options. These effects cause more social costs: child poverty, broken homes, emotional disturbance, ruined educational opportunities, addictions to drugs, alcohol, tobacco or violence, homelessness, despair, unfulfilled lives and self-destruction.

Our indifference of the poor should not blind us to the economic inefficiencies that arise or poverty’s negative impact on empowerment and attempts to protect ecological integrity. We need economic growth but with a more equitable and efficient distribution of all its benefits and costs. Dr. Ross Whaley, the APA’s new Chair, knows well the concept of sustainable development and the elements necessary for developing sustainable communities. It is my hope that with his leadership, we’ll see a new era of progress in the Adirondacks modeling both efficient and equitable economic growth for the Northern Forest and the world.

[Editor’s note: I received a great deal of mail regarding my editorial “Give the Warmongers Their Due” in AJES 10(1) 2003. Below are a few representative letters.]

Dear Editor:

Well spoken and courageous. I applaud your decision to include this article in the editor’s spot. After all, the most significant word in the AJES mission statement is “sustainable” in reference to human and wild communities. Is there anything which threatens sustainability more than violence, anger, and hatred?

Christopher Buerkett

Dear Editor

I was surprised and disappointed in the AJES editorial entitled “Give the Warmongers Their Due.” AJES “exists to foster a dialogue about the broad range of issues that concern the Adirondacks and the Northern Forest. . . [and] purposefully avoids serving as a vehicle for any single or special point of view.” This editorial is a political point of view that does not speak to Adirondack issues but to a national political debate. I strongly feel that this is not the purpose of AJES and that you used poor judgment in using the Journal to deliver your personal views on a national political message that has little to do with the regional problems of the North Country.

I have also reviewed the purpose of ARC given in its bylaws and find nothing that would sanction this editorial as consistent with the purpose of ARC.

Via a copy of this note, I am asking the officers of the ARC to review the issue and take whatever steps they feel appropriate to prevent this apparent breach of its bylaws from occurring again.

Leo Hetling

Dear Editor:

Just received my copy of the Spring/Summer 2003 AJES, which looks great and appears to have several good articles. Congratulations. The only thing I’ve read so far is your “Pre-rogative.” Just wanted to say that I thoroughly agree with your position. Indeed, like you apparently, I’ve been pretty much obsessed with this lunacy. Just because we won an easy and predictable military victory doesn’t mean the trouble is behind us or that we should have been there in the first place. We’re in a real mess now; the Shiia, the Kurds, the Sunni — they’re all going to get real tired of the American presence, and the the shit is going to hit the fan.

In a just world, George Bush and Tony Blair would be tried for war crimes.

I expect you may get some criticism — along the lines of “why is this sort of editorializing in this journal?” I’d be interested to hear if this is the case. In times like these, we need to speak out at every opportunity. The alternative is accepting the rise of the fascist state.

You may have heard that I’ve been invited to speak to the ARC meeting in May, which I’m looking forward to. In what I’ve written so far, I also take a few swipes at this administration. Foreign policy as well as environmental.

Phil Terrie

Dear Editor:

Your editorial “Give the Warmongers Their Due,” AJES 10(1), caught my attention.

While I agree with many of your analytic insights, did the piece stray a bit from the mission of the Journal?

A discussion of how our nation will effectively participate in global partnerships to resolve critical transboundary environmental perils in the aftermath of the unilateral violent action in Iraq has been absent from the current public dialogue. If one can’t find such discourse in an environmental journal then where will this debate happen?

Raymond Curran