

Capitalism as an “Addiction” — a Dialogue

Tulane Law Professor Oliver Houck has made up his mind — capitalism is a Very Bad Thing. In his review of Gus Speth’s *The Bridge at the End of the World: Capitalism, the Environment, and Crossing from Crisis to Sustainability*, he likens it to “an addiction,” an “elaborate Ponzi scheme,” a “beast,” and so on (“Sisyphus on a Roll,” November/December 2008). His jumping-off point is the claimed correlation between “increased growth and production,” on the one hand, and “resource consumption and pollution,” on the other. Professor Houck seems ready to condemn our free-market economy without considering the good things that are also closely correlated with capitalism.

Take human freedom, for example. The correlation between economic freedom and personal freedom is strong and consistent throughout modern history. Nations with free-market economies tend to have citizens who enjoy the greatest political and personal freedom. Conversely, state-run economies are strongly linked to oppression and subjugation. Skeptical? Try publishing a newspaper of your own in North Korea or Cuba. Or, if you happen to be female, try driving a car in Saudi Arabia.

A similar correlation exists in the area of scientific research. The nations that lead the world in basic and applied research tend to be those with free markets. At the other end of the spectrum, we find state-run economies where scientific knowledge lags far behind the rest of the world. If you’re looking for the latest advances in science or medicine, don’t bother looking in Libya or Zimbabwe.

All this is not to say that we live in a perfect society. But as we ponder how to improve it, we dare not focus

on environmental issues to the exclusion of everything else.

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Author Oliver Houck responds:

Thanks for your comments, with whose thrust I largely agree. As I said in the review, alternatives to capitalism have not performed well economically and environmentally. Recent events have also demonstrated, however, the extent to which capitalism based on consumerism resembles a Ponzi scheme, always requiring more in order not to fall back, and when things do crash, require socialist bail-outs (to quote President Bush).

More to Speth’s point, capitalism has done its own bad job on the environment, paliated, again, by such socialist measures as regulation. That part of the case seems to me unimpeachable. Where I criticize Speth is not in his diagnosis of the problem but in his failure to propose a remedy other than Less is More. How we might get there remains unsaid (although Western Europe may be pointing a way). Wherever Speth’s *Bridge* may lie or lead to, one does not have to long to live in Zimbabwe to understand both the fragility and the destructiveness of present conditions. One only needs to read the paper.

My guess is that if we were to spend a couple of hours together on this (in New Orleans), we’d end up closer than you’d think.

We asked Michael Steinberg to continue the dialogue:

I’d add that the issue is not simply Speth’s book, but whether it’s sensible for environmental policy gurus to prescribe an overhaul of our economic framework by looking through the single-issue lens of environmental protection. As you can tell, I think the answer to that long question is “heck, no!”

For example, Professor Houck’s prediction that our current version of capitalism is “both economically and ethically doomed” strikes me as not remotely grounded in either economic

theory or history. It resonates, yes, as a reminder that life is about more than just consumption and profit. Point noted. But last time I checked, capitalism doesn’t force anyone to live a shallow life of conspicuous consumption. Thus, inventing brave new economic orders to force us all to live more sustainably seems to me to be barking up the wrong tree.

There’s also the historical track record to keep in mind. The 20th century did not lack for efforts to install utopian economic programs that would improve the lives of the working classes. Those efforts yielded up millions of corpses and rivers of blood. These recent catastrophes should make us skeptical of centralized governments overturning the economic order and starting fresh.

Finally, both Mr. Speth and Mr. Houck suggest that we would do well to emulate Western Europe. I respectfully disagree. As “green” as some of those nations may be, they have thrown out the baby with the bathwater, and are now on a gentle glide-path toward cultural disappearance. The quasi-socialist economies of Western Europe are in free-fall. Their ability to defend themselves militarily is a thing of the past. Their birth rates are not just low, but below replacement level and still falling. Their churches are increasingly empty. And so on. Indeed, if there is any pressing question facing Western Europe today, it might be, “Will the last one left please turn out the light?” At that point, does it really matter whether the light was a compact fluorescent bulb?

And a final word from Oliver Houck:

May take more than a few beers after all. I’m reminded of a letter I received back in 1971 from an engineer who was deeply offended by Barry Commoner’s *The Closing Circle*. He summed up by saying that, given the steady rise in population around the world, he was “glad that it was the environment that is having the crises and not the people.” I keep letters like this. To which there is really nothing one can say.