

Introduction

This book explores avenues to reduce poverty and protect the environment by building natural assets. These assets include sources of raw materials as well as environmental “sinks” where waste products from the economy are absorbed and decomposed. Drawing on evidence from urban and rural areas across the United States, the contributors to this volume demonstrate that safeguarding the environment and improving the well-being of the poor are mutually reinforcing goals.

This proposition represents a sharp break from the conventional view that these goals are inherently contradictory and that we must trade progress on one front for progress on the other. For example, both advocates and opponents of stronger environmental protection often assume that poverty reduction and environmental protection are at best unrelated objectives and at worst incompatible ones. Poverty reduction requires some combination of economic growth and economic redistribution. The conventional wisdom holds that the former inevitably sacrifices environmental quality, whereas the latter would shift resources to people who are more concerned with day-to-day survival than with safeguarding the environment.

The essays in this book propose a radically different view: that poverty reduction and environmental protection can be advanced simultaneously. Indeed, we believe that both goals not only *can* go together, but *must* go together. One reason is obvious: sustainable advances in human well-being and reductions in poverty are undermined by environmental degradation. The second reason is perhaps less apparent, but no less important: environmental quality is undermined by large disparities of wealth and power.

Assets and Nature

Nature provides the indispensable foundation for the economy as the *source* of our raw materials—food, fiber, water, energy, and minerals—and as the *sink* for wastes generated by production and consumption. In this broad sense, natural

assets are the stock of wealth on which human lives and livelihoods ultimately depend. The term *asset* implies not only the existence of wealth, however, but also a set of rules and institutions that govern access to this wealth and the distribution of the benefits derived from it. Resources are things; assets are relationships between things and people.

A variety of rules and institutions govern access to natural assets. These include private property owned by individuals and firms; public property owned by governments; common property held formally or informally by groups; and “open access” in which the resource is, in theory, available to anyone and everyone. These arrangements are not fixed or immutable but change over time, reflecting changes in technologies, preferences, and the distribution of power in our society.

Changes in the amount of assets, their distribution, and the social arrangements that govern access to them are interwoven. The enclosures of common lands in eighteenth-century Britain, for example, involved not only a shift from common property to private ownership but also the redistribution of access rights from poor commoners to wealthy landlords. Similarly, the struggles of low-income communities today to curb pollution from industrial facilities near their homes represent an effort not only to increase the amount of clean air and clean water but also to redistribute rights from the polluters to the people who breathe the air and drink the water.

Building Natural Assets

The essays in this book describe a range of strategies for expanding the quantity and enhancing the quality of natural assets held by low-income individuals and communities and evaluate their potential to reduce poverty and protect the environment. Greater access to natural resources and greater control over environmental sinks can be achieved in two broad ways: by increases in the total stock of society’s natural assets and by redistribution of the existing stock so as to increase the share of the poor.

There are two avenues for increasing the total stock of natural assets, or what economists term “investment in natural capital.” The first is *ecological restoration*, steps to repair environmental damages inflicted by economic activities in the past. Examples of ecological restoration include reforestation, soil and water conservation, and the cleanup of polluted waterways and contaminated lands. Because such investments simply seek to reverse past depreciation of natural capital, their potential scope is limited by the extent of past environmental degradation.

The second avenue is *coevolution*, whereby human interactions with the environment add to nature’s wealth. A prime example is the domestication of plants and animals that began some ten thousand years ago, and the subsequent

evolution of the rich agricultural biodiversity on which human sustenance depends today. Coevolution demonstrates that the human impacts on the environment are not always negative, nor are positive impacts necessarily limited to the repair of past damages. Our activities can also enhance nature's long-term capacity to sustain humankind.

Redistribution of access to natural assets also can occur via several avenues. When property rights to natural assets are already intensively defined, redistribution requires reallocations of rights, or of some of the "sticks" in the bundle of rights pertaining to a given asset, from prior owners to new owners. When the poor already manage natural assets, and in doing so can create "positive externalities" for others in the form of ecological services—such as the conservation of crop genetic diversity or watershed management—policies to "internalize" some of these benefits can raise the incomes of the poor and at the same time bolster their incentives to continue providing these services. When natural assets are currently treated as open-access resources, available in principle to all but in practice to those with the power to seize them, the appropriation of these resources on a democratic basis can be an effective way to redistribute their benefits.

The environmental justice movement exemplifies the appropriation route to building natural assets. This grassroots movement has arisen in recent years in response to the disproportionate risks from pollution and other environmental hazards that are often faced by low-income communities in general and by people of color in particular. Its guiding principle is the proposition that all people are endowed with the right to a clean and safe environment. Rather than the parochial slogan, "not in my backyard," the environmental justice movement espouses the broader goal, "not in *anybody's* backyard." Insofar as pollution and hazards cannot be eliminated altogether, the movement demands that their burdens be distributed fairly. In effect, environmental justice seeks the egalitarian appropriation of rights to airsheds and water bodies that were previously treated as open-access environmental sinks.

As this example illustrates, the phrase "natural assets" does not imply that the environment simply can be commodified, or reduced to purely monetary values to be exchanged in markets. Similarly, the phrase "environmental ownership" does not imply unbridled license to use or abuse natural resources. Assets can be owned by communities and the public, as well as by individuals. And ownership entails responsibilities to others as well as rights. The essays in this book do not give a blanket endorsement to any single form of environmental ownership—private property, common property, state property, or open access. Nor do they axiomatically embrace either market-based incentives or government regulation as the best way to protect the environment. Instead the authors propose a variety of institutional arrangements tailored to different circumstances, and they suggest that the

quality of the outcomes will depend above all on the degree to which these arrangements are grounded in a democratic distribution of wealth and power.

Plan of the Volume

The book is divided into five parts.

Part 1, “The Wealth of Nature,” discusses the importance of natural assets to human well-being and examines the social construction of rights to natural resources and the environment.

Part 2, “Reclaiming Environmental Sinks,” examines efforts to curtail the pollution of the air, lands, and water bodies that serve as sinks for the disposal of wastes from production and consumption. Across the United States, struggles for environmental justice are seeking to reclaim environmental resources that have been appropriated and misused by polluters. These creative and dynamic initiatives offer important lessons for natural-asset-building strategies.

Part 3, “Cultivating Natural Capital,” challenges the conventional assumption that human economic activities inexorably degrade the natural environment. The essays in this part show that sustainable agricultural practices not only can sustain but also can enhance the stock of natural capital. At the same time, the authors document the formidable threats that are now undermining such practices.

Part 4, “Out of the Woods,” documents the range of social benefits that forests provide and explores strategies to expand the rights of forest-dependent communities to public and private forestlands so as to foster sustainable forest management and reduce rural poverty.

Finally, Part 5, “Greening the Cities,” considers the prospects for building natural assets in the urban areas where most Americans today live and work. The greening of the cities includes not only the cleanup of environmental sinks, already discussed in Part 2, but also natural-resource-based development strategies that aim to reduce urban poverty and improve environmental quality.

The essays in this volume demonstrate that poverty reduction and environmental protection can indeed go hand in hand, and they suggest that these goals are not only compatible but mutually reinforcing. Yet the authors also make it clear that strategies to build natural assets are still at an early stage, with much scope for further innovation, refinement, and diffusion. We hope that this book will help to stimulate creative thinking and debate about how best to deepen democracy and secure a sustainable future for the generations who will follow us.