

*World Development Report 1992:
Development and the Environment*
by The World Bank

Oxford University Press, 1992. ISBN 0-19-520876-5 (pbk).

When concern about the environment began to claim a share of public attention in the 1960s, it was common to view the problem mostly in aesthetic terms. The issue concerned how much environmental amenity to buy at what cost in marketable output. Though the issue had appeal for affluent people in the First World, the distributional implications were ominous. Nice views and good vacation spots could only be had by sacrificing industrial jobs and incomes, and a class divide opened up over ecology (as we called it then). An international environmental conference held in Europe in the 1970s broke up in acrimony as representatives of the less-developed countries accused the developed world of trying to stifle economic growth in the name of ecological purity.

In the succeeding decades we have come to see the natural environment less as a consumption good, a playground for the rich, and more as a reservoir of productive resources. The health effects of environmental degradation have been reemphasized and new research has deepened our understanding of the problem. The threat posed to the sustainability of economic activity by environmental decay is now also much better understood. It is no longer sufficient to model the problem as buying environmental quality by giving up GDP. We must also understand that it is a matter of maintaining a stock of human and physical capital that contributes to both the quality of life and to greater material well-being.

This new understanding has led to a different view of the distributional consequences of environmental protection. Environmental problems can cause poverty or make it worse. People with low incomes are the most likely to suffer the effects of environmental degradation. By impairing their health or by impairing the productivity of the resources they work with, this degradation can compromise their ability to improve their situation. The causation can also work the other way around—poverty can cause environmental problems. Maintaining the environment is an investment

REVIEWER

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decision, and poor people usually operate under constraints that make it impossible to take the long view. The new attitude toward environmental issues was very evident at last summer's environmental conference in Brazil, where there was no longer much of a rich-poor divide.

Unfortunately, many of the textbooks we use to teach economic principles and microeconomic applications have not caught up with this new knowledge. At the elementary and intermediate levels it is much easier to teach the traditional model of pollution as a simple externality and pollution abatement as a consumption good. Our students have not usually acquired the theoretical techniques necessary to cope with a more complex view of sustainability. In our textbooks' preoccupation with efficiency, there is usually little time to consider the distributional ramifications of the different ways of looking at this problem, and the theoretical techniques we are trying to teach do not lend themselves easily to answering distributional questions. We need concrete and real examples rather than abstract models to make the subject come alive, and such examples are not readily at hand.

Development and the Environment attempts to remedy this problem. It is being marketed by Oxford as a supplementary text for intermediate-level economics courses. It is based on the idea of sustainability as a complement to efficiency in assessing economic performance, and the idea of the compatibility of environmental care with distributional goals. It also nods toward the idea that the natural environment (better called "creation" in this context) has value independent of human use. The book is informed by the best of economic analysis, but it contains no formal economic theorizing. Rather, it is chock full of real-world examples of programs and strategies that worked and those that didn't. There is also a great deal of statistical data, not only in the extensive tables in the back of the

book, but also presented in graphical form alongside the text. There are bibliographical notes on each chapter and an extensive sourcelist that could be a great help to students working on papers.

While the authors try hard to reach appropriate generalizations, they do not gloss over the untidy nature of the data. They do not claim that equality and environmental care are always served by the selfsame policies, and they point out that while more efficient policies sometimes serve environmental goals, sometimes these goals diverge. The authors display a distinct preference for markets and market-like allocation mechanisms, but they also point to cases where traditional allocative institutions have worked better, and to conditions under which administrative mechanisms might work best. The book is a thoughtful, logical, and very well documented piece of work. The absence of ideological cant is very refreshing.

The difficulty with using this book as a supplementary text for undergraduate classes is that it is not particularly easy reading, especially in the first four chapters. These chapters deal with the broad issues involved in making and implementing environmental policy, especially in developing countries. The pattern of almost every paragraph is to have a topic sentence that presents a sweeping generalization, followed immediately by very particularized examples that might be drawn from any environmental issue anywhere in the world. The generalizations are not well connected analytically to the examples—there are too many missing steps. Too many generalizations appear in too short a space, making it hard to tell what is important. The wide variety of the examples is impressive, and I think they are essential to the task of getting past the facile abstractions that can be so misleading in this field of economics. But exactly that variety makes them difficult to remember and to tie together into some kind of analytical framework.

The last five chapters are easier going because they deal with particular areas of environmental policy such as sanitation and water, energy, rural land use, and the greenhouse effect. There is less here that is new or original, and the generalizations are not quite so broad. Students will find these chapters easier to handle, but there is less in them that will take students beyond where regular textbooks go.

Though this book may not be useful as a supplementary text to be assigned to students, I think it can nevertheless be a

useful resource for scholars as they prepare to teach development economics, public finance, and applied micro topics. This is especially true for Christians who have a strong interest in the implications of the Cultural Mandate for environmental stewardship, and a strong interest in serving the needs of the poor. This book is well aligned with those concerns, and offers a wonderful array of information to support teaching that is directed along those lines. For this purpose, I recommend it highly. ■

The Problem of Poverty
by Abraham Kuyper, translated
and edited by James W. Skillen

Baker Book House, Co., 1991. ISBN 0-8010-5256-4.

The *Problem of Poverty* is a translation of a speech given by Abraham Kuyper at the opening of the first Christian Social Congress in the Netherlands in 1891. James Skillen, director of the Center for Public Justice in Washington, D.C.¹, translated Kuyper's original Dutch text² on the 100th anniversary of the presentation to raise the questions: "How...shall we answer the question of poverty in our own time? If socialism is not the answer, is capitalism all we have left?...Can we learn anything from the Christian response of one hundred years ago?" (p. 11). Skillen contends these are timely questions in all corners and systems of the world. Skillen also rightly asserts: "I doubt that anyone, after reading this speech, can walk away believing that Christianity is out of date and powerless to address the complex questions of poverty today (p. 12). This conclusion follows as much from the intensity and emotion with which the message is presented as from the message's content.

Several features of the speech and Skillen's introduction of it make worthwhile reading. Skillen's introduction to the speech³ includes a brief but captivating biography of Kuyper and a summary of Kuyper's Christian

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