

**IDEAS
ON LIBERTY**
MAY 2002



A Leonard Read for Africa?

A candle has been lit in east Africa. It shows promise of spreading much light where there is now much darkness. In time it may grow to illuminate an entire continent. Its appearance is a testimony to perseverance and the power of ideas, as well as a tribute to this very publication. The candle is in the form of east Africa's first free-market research and educational organization, or "think tank," and the man who lit it is one remarkable 31-year-old Kenyan named James Shikwati.

Kenya, you must understand, is not a place that is known for free markets or free-market ideas. It is hardly a hospitable place for an organization devoted to these things to emerge, though the description of the country from the *2000 Index of Economic Freedom* (produced by the Heritage Foundation and the *Wall Street Journal*) surely indicates a crying need for them. Rating Kenya as "Mostly Unfree," the *Index* laments that in spite of recent reforms, "the privatization program and civil service reduction efforts have stalled, the government continues to dominate many key industries, the infrastructure continues to deteriorate, political corruption remains rampant, and the rule of law is weak."

As a young man growing up in the remote Rift Valley of western Kenya, James Shikwati heard little or nothing about free-market ideas. But early on he exhibited traits

that others increasingly recognized as signs of leadership and determination. His brother Charles recalls an incident when he and James were teenagers and the latter signed up for the local high school track team. Slight of build and no match for the more seasoned athletes, James was passed by all the runners as hundreds of spectators looked on. "He did not drop out as expected of someone so far behind," says Charles. "He stayed in the race and ran so hard that he became the center of attention. Instead of cheering the runners that were so far ahead, the crowd started cheering James. He stole the show."

As an undergraduate student at the University of Nairobi in the early 1990s, James developed a strong intellectual curiosity and a keen appreciation for philosophy. He formed and chaired a lively student philosophical association and attracted the attention of a noted professor, Clement Oniang'o, then the dean of the department of social sciences. Oniang'o encouraged James to pursue further studies outside Kenya and while seeking information about scholarships, James acquired a copy of a little book with a mesmerizing message. It was Frédéric Bastiat's *The Law*, published by FEE.

Moved by Bastiat's rigorous logic, and sensing that it could have powerful impact in statist Kenya, James wrote to FEE and secured a subscription to this magazine. Something about a particular column of mine on education prompted him to write his first of many letters to me in 1997—commencing a nearly five-year correspondence. Ever since, James has devoured every maga-

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zine, journal, and book on freedom ideas that he's been able to get his hands on, and both FEE and I have been happy to send them by the dozens.

James put his growing command of freedom ideas to work in the classroom from 1996 until early 2001 at Kiptewit High School, where he taught courses in geography and ethics. A fellow teacher whom he came to influence greatly, Tom Majanga, says that "Most of his colleagues on the faculty shuddered whenever James declared he was a capitalist. He would defend self-interest as a virtue." Such controversial views expressed in a public school landed James in hot water. School officials first arranged for his eviction from his apartment on trumped-up charges, and then threatened to fire him. That's when I received a watershed letter from James 18 months ago, informing me that with his wife's approval, he was going to quit teaching, move to the capital, Nairobi, and start east Africa's first free-market research and educational institute. In the middle of 2001, the Inter-Region Economic Network (IREN) was born.

First Anniversary

Operating on a financial shoestring, out of a modest apartment with a computer and not much else, James is about to mark his first anniversary as head of IREN. His payroll is a one-man show for now, but a growing number of inspired volunteers provide in-kind assistance in the form of accounting, phone-answering, legal, and other help. That gives James time to make the rounds, getting to important people in the media and government. He writes well and has had amazing success in getting Kenya's largest newspapers to publish his incisive commentaries applying free-market prescriptions to the country's problems. He has a website at www.irenkenya.org.

I visited Kenya this past January to meet James for the first time. He's everything all of us who have been helping him were hoping for—charismatic, dedicated, dogged, articulate. He's a consummate networker, never missing an opportunity to make an acquaintance and introduce freedom ideas. Like FEE's founder, Leonard Read, James's approach is gentle but compelling. He does not harangue; he persuades through a combination of friendly Socratic inquiry, an appeal to fundamental principles, and unsailable logic. An influential journalist touched by James's appeal, Bob Wekesa of the *East African Standard*, admires his tenacity and considers the young Kenyan "an inquisitive, new-generation thinker who is bringing people to a new understanding of the value of free enterprise."

When nearly 50 people showed up to hear two lectures James had arranged for me to deliver, I saw firsthand the good work he has already done. I've rarely spoken to people more enthusiastic about freedom. Many of them gushed about the young man who had opened their eyes and made them think for the first time about east Africa's enormous potential as a free society.

On IREN's agenda for this year are the translation into Kiswahili of Ken School-land's superb book, *The Adventures of Jonathan Gullible: A Free-Market Odyssey*; public lectures at universities in the Nairobi area; a stream of incisive commentary for the nation's newspapers; and a workshop and a study on how free-market environmentalism can promote wildlife conservation.

James Shikwati and IREN are proof positive that ideas can motivate and make a difference. The seeds of a brighter, freer east Africa are now being planted in Nairobi. In time, the work James has started may liberate millions. Where there was stagnation and despair, there is now good reason to have hope for Africa. □

The Impossibility of Harming the Environment

by Roy E. Cordato

"The 'polluter pays principle' states that whoever is responsible for damage to the environment should bear the costs associated with it."

—United Nations Environmental Programme¹

The "polluter pays principle" appeals to our sense of justice. People should be held responsible for their actions, and polluters who cause damage to others should "pay" for that damage. Furthermore, forcing polluters to bear the costs of their activities would enhance economic efficiency. In other words, appropriately applied, policies based on the principle face no trade-off between the efficient working of a capitalist system and environmental protection.

But as with most general principles, the devil is in the details. In this case the details relate to basic questions that any application must answer: How do we define pollution? Who is a polluter? How much should the payment be, and to whom should payment be made? The answers to these questions are at the heart of whether an application will be either just or economically efficient.

Most advocates of the principle never talk about harms to people. The statement above is typical. Polluters are those who "damage" or impose "costs" on the *environment*. This

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language is common. The U.N.'s "Rio Declaration on Environment and Development" states that "National authorities should endeavor to promote the internalization of environmental costs and the use of economic instruments. . . ."² (More on this below.) The "Draft International Covenant of Environment and Development" states: "Parties shall apply the principle that the costs of preventing, controlling, and reducing potential or actual harm to the environment are to be borne by the originator."³

Ultimately terms like "environmental costs" and "damage to the environment" can mean anything a policymaker wants them to mean. Since all human activity involves altering (damaging?) the natural environment, the "polluter pays principle" as defined by its most vocal advocates can be invoked to justify taxing or regulating any consumption or production activity, and often is. Indeed this may be the point of using such nebulous language.

Closely tied to that principle are policies typically referred to as "market based."⁴ These policies are broken down into two categories, taxes and tradable permits. Both are seen as attempts to "make the polluter