

The air we breathe

Who Owns the Sky? Our Common Assets and the Future of Capitalism by Peter Barnes

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What meaning can it have in everyday terms to ask who owns the sky? Peter Barnes poses the question to launch his argument that polluters should pay for their privilege.

The book investigates the sky as one of mankind's common economic assets – because for polluters an economic asset it is. He sets this ownership question in the context of an exploration of the future of capitalism.

Few will have asked themselves the question Barnes puts forward and no-one will have much by way of preconception on the matter: something that works to the advantage of Barnes and those who would walk his path.

"The future of the economy," Barnes hopes will be "one in which we can retain capitalism's virtues while mitigating its vices."

His book proposes the establishment of common property rights in natural and societal resources. Acknowledging the historical use of the term commons, "as pasture or woodland used collectively by ordinary citizens," he offers a modern interpretation: "A natural or social asset that is [properly] neither privately nor state-owned."

With this in mind the author seeks a new structure of capitalism with a new mode and system for its operation. He draws distinctions between wealth and 19th century economist John Ruskin's idea of 'illth' (his name for economic acts considered as wealth-creating but causing various devastation and trouble) in the process. In his book Barnes proposes a system which would work to discourage the creation of illth, while promoting the creation of wealth

The manifestation of illth the book primarily addresses is sky-borne pollution. Barnes is concerned with practical solutions to the economic and ecological problems of the atmosphere's limited capacity to absorb the waste-products of industry and Western lifestyle.

He argues that many environmental, health and monetary costs to society resulting from industrial, business and life activities are considered to be external to the

actual process in hand – what are technically termed externalities.

Most businesses and industries benefit from these costs – external to the balance sheet. For instance the down-the-line healthcare cost of picking up the pieces of a dangerous industrial process are hardly ever directly borne by the offending industry. Such economic subterfuge means the full cost of releasing pollution into the atmosphere is not borne by polluters.

Such external expenses must be incorporated into the balance sheets of industry by formalising, recognising and incorporating all the real costs into economic calculations. Barnes argues the limited capacity of the atmosphere to absorb and recycle industrial pollution requires a scarcity rent to be put on this natural resource. He proposes that the most just and economically efficient means to achieve this is by recognising a new set of property rights in the sky. These rights, according to the writer, must recognise the common property of mankind.

This notion is not new, Barnes points out:

"Roman law distinguished between four types of property" – the private (*res privatae*), the public (*res publicae*), the common (*res communes*), and the unowned (*res nullius*). If the sky has been deemed *res nullius* Barnes wants it to be recognised as *res communes*.

Barnes' proposal concerns the sky in terms of the value of its atmospheric functions. We should be clear about that: it is to those functions Barnes proposes the attachment of new property rights. That resource as property, must be clearly distinguished from the space itself above land (as this space may be subject to landlords' extensive rights under common law, and similarly governments may claim sovereignty over the space above their territory).

The author works through various kinds of measure to solve the problem his book identifies. But the solution he arrives at is the establishment of a new societal institution – a Sky Trust – to administer our common rights in the sky, and collect the value of those rights from those who use them (see p12).

Who Owns the Sky? is insightful and exciting in its expectation, proposing

practical and creative solutions to acknowledged and emerging global problems.

Just as importantly, the book uses and develops universally understandable language and concepts. That is an important development in the resource rents debate.

By asking of people "who owns the sky?" reformers seeking a reestablishment or recasting of our common and individual rights in the landed part of earth, may have a tool they can easily apply to their advantage.

Peter Gibb