I just finished up Bob Frank's terrific <u>Falling Behind: How Rising Inequality Harms the</u> <u>Middle Class</u>, and it contains an interesting (although somewhat depressing) implications concerning political support for the environment.

For several years, Frank has been writing about the distinction between "positional" and "non-positional" goods – a distinction that has spawned a large legal literature (a good example is <u>here</u>). The value of positional goods depends largely on the amount of that good that other people have, although this is not necessarily about envy. For example, research shows that people would prefer a \$300,00 house in a city with a median of \$200,000 than have a \$400,000 house in a city with a median of \$600,000. Now, you could chalk a lot of that up to envy, but the more prosaic reason is that real life is not like Lake Wobegon: not every child can be above average, and if parents want their children to be in the better schools, then their goal will be to have a house that is priced *relatively* high, not absolutely high. Thus, in many aspects houses are positional goods, i.e. their value varies upon the context of other peoples' goods.

What does this have to do with environmentalism? Plenty.

The environment is a classic non-positional good: if I enjoy a good environment, my enjoyment of it does not vary depending upon whether other people enjoy it as well. This is not the same as a non-rival public good; non-rival public goods are all non-positional, but not all non-positional goods are non-rival. For example, my enjoyment of my vacation is generally non-positional because other people can't see it (although envy mitigates this somewhat, this is far less important than the house example above); but of course my vacation is anything but a public good.

Because positional goods force a sort of spending arms race, Frank explains, there will be a tendency for people to invest more in positional goods than non-positional goods. And this might even have an evolutionary explanation: in an era of extreme scarcity, prehistoric creatures could get more mates if they could demonstrate their fitness over and above others. That means evolution selected for those creatures will the desire for and ability to acquire positional goods. Frank uses the example of North American elk: evolution selects males with huge antlers to compete for females, which of course in the long run doesn't do any of them any good (since none of them have an advantage), but does make them more susceptible to being eaten by wolves because their antlers get stuck in the forest).

And that means that people have a hard-wired tendency to disfavor non-positional goods like the environment and favor positional goods like, well, bigger houses. The median American house size in 1980 was 1,600 square feet; in 2007, it was closer to 2,100 square feet. I'm not sure how the evolutionary explanation would fare under a more rigorous examination, but it certainly explains a lot, especially the general political weakness of the environmental movement of the last three decades, and the seeming inability of policymakers and voters to care about the climate issue. As they say, read the whole thing.