



ECONOMICS 420 ENVIRONMENT, RESOURCES, AND ECONOMIC GROWTH

UMKC DEPARTMENT OF ECONOMICS

Economics 420
Haag Hall 315

Spring 2009

Instructor: Mathew Forstater

Phone: (816) 235-5862

E-mail: forstaterm@umkc.edu

Office: Haag Hall 303

Class Time: TR 11-12:15pm

Teaching Assistant: Mike Murray

Phone: (816) 235-5886

E-mail: mjmurray@umkc.edu

Office: Manheim Hall 202-I

Office Hours: TBA

Office Hours: TBA

Course Website: <http://cas.umkc.edu/econ/economics/faculty/Forstater/420/index.htm>

ENVIRONMENT, RESOURCES, AND ECONOMIC GROWTH

Course Objectives

The threats to the earth posed by humankind's depletion of non-renewable and stock renewable resources, and pollution and degradation of air, water, and soil, are by now well-known (although there is not consensus as to the extent and timing of these threats). What is the relationship between the economy and the environment? What does economics have to say about the environment and what light can environmental, ecological, and evolutionary studies shed on our understanding of economic processes? What role does economic theory play in environmental policy and what economic factors must policy-makers consider? In this course, we will address these and related questions by looking at mainstream theories and policies of environmental economics, including those based on externalities and social costs, property rights, cost-benefit analysis and discounting, from a critical and historical perspective. The problems of and prospects for market controls and government regulation, as well as alternative policy approaches, are considered. In addition, we will cover special topics through readings representing alternative views and approaches to the field.

Course Requirements

Class attendance and involvement is mandatory. Required readings are required reading. There will be two exams and a research paper.

Texts and Readings

The primary text is *Economics and the Environment* by Goodstein (EG in course outline). This will be supplemented by readings from *Valuing the Earth* edited by Daly and Townsend (VTE), and *The Environmental Ethics and Policy Book* edited by VanDeVeer and Pierce (V&P), as well as reserve readings and handouts (* indicates required).

Course Outline and Readings

I. The Economic Problem, Environmental Crisis, and Intellectual Inquiry

- [Robert Heilbroner, "The Economic Problem," in *The Making of Economic Society*, 9th ed., Prentice Hall, 1992.](#)

- [Lester Brown, et al., *State of the World 2005*, Ch. 1, Worldwatch Institute.](#)
- [C. Wright Mills, "On Intellectual Craftsmanship," appendix to *The Sociological Imagination*, Oxford U. Press, 1959.](#)
- [Mathew Forstater, "Environmental Economics and Classical Political Economy," in *Proceedings of the Pennsylvania Economics Association Annual Meetings, 1993*. \(also on web\).](#)
- V&P, (article by Rachel Carson)
- EG, ch. 1.

II. Economy and Environment: Overview

- D. W. Pearce and R. K. Turner, *Economics of Natural Resources and the Environment*, pp. 33- 54, Johns Hopkins Press, 1990.
- *Kenneth Boulding, "The Economics of Coming Spaceship Earth" and "Spaceship Earth Revisited," in VTE, chs. 16-17.
- *Herman Daly, "Introduction to *Essays Toward a Steady State Economy*," in VTE.

Special Topic: Entropy and the Laws of Thermodynamics

- *Nicholas Georgescu-Roegen, "The Entropy Law and the Economic Problem" and "Selections from 'Energy and Economic Myths'," in VTE, chs. 3-4.
- Forstater, Mathew (2007) "[Nicholas Georgescu-Roegen](#)" in *The Little Book of Big Ideas* Chicago Review Press
- Paul Ehrlich, et al., "Availability, Entropy, and the Laws of Thermodynamics," in VTE, ch. 2

III. Externalities and Social Costs

- *EG, chs. 2-3.
- *[Karl W. Kapp, "Social Costs of Business Enterprise," in Leonard, et al. \(eds\): *Business and Environment*, Conservation Foundation, 1977.](#)
- Forstater, Mathew (2007) "[Karl Wilhelm Kapp](#)" Little Book of Big Ideas Chicago Review Press
- Roger Arnold, "Market Failure: Externalities and Public Goods," in *Microeconomics*, West Publishing, 1989.

Special topic: GDP: Implications for the Environment

- *EG, pp. 80-89, 465-468, ch. 11.
- *[V&P \(article by Repetto\) John Miller, "A Green GNP," *Dollars and Sense*, No. 161, November, 1990.](#)
- [Green GNP Handout](#)

IV. Property Rights

- *EG, ch. 4., pp. 485-487.
- *[Ronald Coase, "The Problem of Social Cost," *Journal of Law and Economics*, 3, 1960; excerpt reprinted in R. Dorfman and N. Dorfman \(eds\): *Economics of the Natural Environment*, Norton.](#)
- V&P (articles by Locke, Shrader-Frechette, Sagoff, and *The Rio Declaration*)

Special Topic: The 'Tragedy of the Commons'

- *Garrett Hardin, "The Tragedy of the Commons" and "Second Thoughts on the Tragedy of the Commons" in VTE, chs. 6-7.
- *[James Swaney, "Common Property, Reciprocity, and Community," *Journal of Economic Issues*, 24/2, June, 1990.](#)
- [Mathew Forstater, "Bones for Sale: 'Development,' Environment, and Food Security in East Africa," *Review of Political Economy*, vol. 14, no. 1., 2002 \(also on web\)](#)

V. Cost-Benefit Analysis

- *EG, chs. 8-10.
- *V&P (articles by Kelman, Leonard and Zeckhauser, and 'Sidelight')

Special Topic: The Valuation of Life, Health, and Nature

- *V&P (articles by Freeman and Sagoff)
- [*Andrew Stirling, "Environmental Valuation: How Much is the Emperor Wearing?," *The Ecologist*, 23/3, pp. 97-103, 1993.](#)

VI. Government Regulation

- *EG, chs. 12-15.
- [Dean E. Mann, "Democratic Politics and Environmental Policy," in S. Kamienecki, et al. \(eds\): *Controversies in Environmental Policy*, SUNY Press, 1986.](#)
- [Mark E. Kann, "Environmental Democracy in the United States," in S. Kamienecki et al.](#)
V&P, (articles by Knize, Little, and Norton)

VII. Market Controls: Taxes, Fees, Subsidies, Permits

- *EG, chs. 16-17.
- *Tom Tietenberg, "Using Economic Incentives to Maintain our Environment," in VTE, ch. 18.
- *V&P (articles by Freeman and Sagoff)
- Forstater, Mathew (2008) ["Pollution, Air"](#) in International Encyclopedia of the Social Sciences: Ed. William A. Darity Jr. Vol 6. 2nd. Ed. Detroit: Macmillan Reference USA
- Forstater, Mathew (2008) ["Pollution, Noise"](#) in International Encyclopedia of the Social Sciences: Ed. William A. Darity Jr. Vol 6. 2nd. Ed. Detroit: Macmillan Reference USA

VIII. Natural Resources, Species Extinction, and the Discount Rate

- *EG, ch. 6.
- *Juan Martinez-Alier, *Ecological Economics*, pp. 164-71, Cambridge: Blackwell, 1987.
- *V&P (all articles in section VI.A.)

Special Topic: Population

- *EG, ch. 21.
- *V&P (all articles in section V.D.)
- [*Barry Commoner, "Poverty Breeds Overpopulation," in I. Vogeler and A. DeSouza \(eds.\): *Dialectics of Development*, Rowman and Allanheld, 1980.](#)
- [*Frances Moore Lappe and Joseph Collins, "Myth Two: Overpopulation," in *World Hunger: Ten Myths*, Institute for Food and Development Policy, 1979.](#)

IX. Economics and Environmental Ethics

- *EG, ch. 2.
- [*Frances Moore Lappe and J. Baird Callicott, "Individual and Community in Society and Nature," in M. Zweig \(ed.\): *Religion and Economic Justice*, Temple U. Press, 1991.](#)

- *E. F. Schumacher, "Buddhist Economics," in VTE, ch. 9.
- *V&P (all articles in section IV.A.)

- V&P (sections I. and II.)

- Mathew Forstater, "Buddhist Economics and Globalization," paper presented at Association for Social Economics Annual Meetings, January, 2001.

Special Topic: Deep Ecology and Social Ecology

- *V&P (articles by Devall and Sessions, Naess, and Bookschin)

X. Alternatives and Limits to Growth

- *[John Stuart Mill, "Of the Stationary State," *Principles of Political Economy*, pp. 746-751, Augustus M. Kelley, 1848.](#)

- *[Donella H. Meadows and Dennis L. Meadows, "A Summary of *Limits to Growth—Its Critics and Its Challenge*," in Leonard, et al. \(eds.\): *Business and Environment*, Conservation Foundation, 1977.](#)

- *Herman E. Daly, "Sustainable Growth," "The Steady-State Economy," and "Postscript," in VTE, chs. 14, 19, 20.

Special Topic: Technology and Energy Policy

- *EG, chs. 18-20.

XI. 'Development' and Environment

- *EG, ch. 22.

- *[James O'Connor, "Uneven and Combined Development and Ecological Crisis: A Theoretical Introduction," *Race and Class*, 30/3, January-March, 1989.](#)

- *[N. Shanmugaratnam, "Development and Environment: A View from the South," *Race and Class*, 30/3, January-March, 1989.](#)

- *V&P (articles by Ramachandra Guha and Luis Camacho)

Special Topic: Trade and Environment

- *Trade and Environment (reserve packet)
- *[Third World Network, "Toxic Waste Dumping in the Third World," *Race and Class*, 30/3, January-March, 1989.](#)

XII. Environmental Racism and Ecofeminism

- *V&P (articles by Grossman, Plumwood, Warren, Shiva, and Davion)

- *Marjorie Moore, "Environmental Health and Community Action," *Environmental Law Section Journal*, 11/1, February-May, 1991.

- Robert Bullard, *Dumping in Dixie*, chs. 1, 5, Westview, 1990.

XIII. Discussion: Alternative Policy Proposals and Prospects for the Future

- [Mathew Forstater, "Full Employment and Environmental Sustainability," *C-FEPS Working Paper No. 13*, Kansas City, MO: Center for Full Employment and Price Stability, 2001](#) (also on web).

- EG, ch. 23.

(Outline and reading list subject to minor revision)

[Back](#)