

ECON / ENVI 212
Williams College
Fall 2000

SUSTAINABLE DEVELOPMENT

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Hours: M, 3-4; R, 2-4

SYLLABUS

This course explores issues of sustainability and the environment emphasizing the role of economics in understanding the causes, consequences, and potential solutions to allocation problems for environmental resources. The course will include modules in which we a) define and evaluate the notion of sustainability; b) examine the process, purpose and consequences of economic growth; c) assess the range of mechanisms that have been devised to overcome allocation problems; d) explore both analytically and through case studies the merits of common-pool resource management, e) examine trade, the environment and the WTO; and f) address topics relevant to sustainable resource use including fisheries, biodiversity, and population.

Readings:

The readings for the course will come primarily from a packet of photocopied articles, as well as from class handouts and the internet.

Format

Students are expected to do the required readings in advance and to come to class prepared to ask and respond to questions on those materials. I will ask you to comment on the materials assigned for each class session. I will use examples and cases studies to illustrate and apply the analytical concepts being developed. Some of this will not be in the texts, but you will be responsible for what is covered in class unless I specifically tell you otherwise. If you miss class it is your responsibility to consult with other students, their notes, and me, to find out what was covered.

There are many topics we will not have time to cover during the quarter. Detailed studies on many related topics can be found at internet sites such as Resources for the Future (<http://www.rff.org/>) and the World Resources Institute (<http://www.wri.org/>).

Grading

There will be several homework assignments, a midterm and a final exam. In addition, there will be periodic short assignments (e.g., to write or e-mail a short question or comment, etc.) in class as a way to ensure and reward advance preparation for class. Grading will be based on weights of 30% for the midterm, 30 % for homework and periodic assignments, and 40% for the final exam.

Topics & Reading Assignments

1. Sustainability – defined, confused, what does it mean for whom?
Our Common Future, World Commission on Environment and Development, 1987.
Oxford University Press. Pp. 1 – 23.
John Dixon and Louise Fallon, “The concept of sustainability: origins, extensions, and usefulness for policy” Society and Natural Resources, vol. 2, pp. 73- 84, 1989.
Jaeger, “Economic Analysis: a primer for environmentalists and other skeptics”
{*Defining sustainability: sustaining flows of goods, services and income; maintaining stocks of valued assets, making trade-offs in short- and long-run.*}
2. Economic growth: Why?
R. Easterlin, “Does money buy happiness,” *The Public Interest*, Winter 1973, pp. 3-10.
W. Easterly, “Life during growth,” World Bank, March 1999, processed.
R. Easterlin, “The worldwide standard of living since 1800,” *J. of Economic Perspectives*, winter 2000, pp. 7-26.
Notes on growth, capital accumulation, capital markets, efficiency (forthcoming).
{*Distinguishing “ends” and “means.” What does the evidence tell us?*}
3. Economic growth: by what path?
W. Jaeger, “Economic Growth and Environmental Resource Allocation”, February 2000, processed.
{*What should an ‘efficient’ environmental path look like? Is environmental degradation inevitable? Is economic growth a prerequisite for environmental protection?*}
4. Tragedy of the commons
G. Hardin, 1968. "The Tragedy of the Commons" *Science* 162, 13 Dec., pp. 1243-1248.
Misc. articles on fishery problems
Notes on dynamics of the fishery problem: discrete time model
{*what kinds of goods are prone to the ‘free rider problem’? Why – especially – are ocean fisheries overfished?*}
5. Common Pool Resources (CPR) and common property institutions
“Analyzing long-enduring self-organized, and self-governed CPRs,” in Governing the Commons, Elinor Ostrom, Cambridge U. Press, 1990, pp. 58 – 102.
“Analyzing the commons: a framework” by Ronald Oakerson, in Making the Commons Work, Daniel Bromley (ed.), ICS Press, 1992, pp. 41 – 59.
“The rudiments of a theory of the origins, survival, and performance of common-property institutions,” by Elinor Ostrom. In Making the Commons Work, Daniel Bromley (ed.), ICS Press, 1992, pp. 293—318.
{*key concepts: common pool resource (CPR) management, individual ownership versus commons, the value of interdependency, the costs of alternative institutions—exclusion and coordination.*}

6. Private versus public solutions: A false dichotomy
Charles Wolf, jr., 1979. "A theory of non-market failure" *The Public Interest*, Spring, pp. Notes on property rights, institutions and transaction costs.
{When will markets be the best solution? Policy? Neither?}
7. Biodiversity – the economic value of biodiversity
“The Economic Value of Biodiversity” Chapter 12 in Global Biodiversity Assessment, Cambridge University Press, 1995, pp. 824- 914.
{identifying and measuring the value of biodiversity, approaches for protection, policy instrument}
8. Population
United Nations Population Fund, Press Summary: “The State of the world Population 1999: 6 billion - a time to choose.”
Partha Dasgupta, “The population problem: theory and evidence” *J. of Economic Literature*, Dec. 1995, pp. 1879-1902.
{Has the population problem gone away? Causes of high fertility rates; policy solutions; a win-win-win opportunity}
9. Trade, the environment and sustainability
“Why Greens should love trade” *The Economist*
“Why Greens don’t love the WTO” Donella Meadows, *The Global Citizen*
10 benefits of the WTO trading system (from the WTO website).
10 common misunderstandings about the WTO (from the WTO website).
“Environment and Trade: a handbook” United Nations Environment Programme and International Institute for Sustainable Development.
Notes on Trade and the Environment
{trade and environment interactions, pollution havens, trade restrictions as a dubious environmental policy instrument, the WTO: fact, fiction, scapegoats and legitimate concerns}
10. TBA
11. Summary and reflection.