

Economics of Natural Resources
and Environment
Economics 4440
Classroom: Sage 176
Summer 5W2 2016
Web: <https://learn.unt.edu>

Dr. Michael Nieswiadomy
Office Hours: M-R 2:00-3:30 pm & by appt.
Office: 254B Hickory Hall
Class time: Mon. 10:00 a.m. - 11:50 a.m.
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REQUIRED TEXTS: Main text: *Environmental and Natural Resource Economics*, 10th ed., by Thomas Tietenberg and Lynne Lewis. Addison Wesley, 2015.

COURSE OBJECTIVES: A significant number of environmental problems have received considerable attention: Climate change, ground level ozone pollution, groundwater pollution, habitat loss and over-harvesting of fish. These problems have convinced many people that mankind is incapable of living in harmony with the environment. We shall use as our organizing principle of the course the following questions: Can our economic and political institutions produce a sustainable growth path in the presence of a finite environment? What are the benefits and costs of our actions? What are the most efficient solutions to our problems?

GRADES: Your grade will be based on the following weights:

Exam 1	25% of your overall grade
Exam 2	25% of your overall grade
Final Exam	30% of your overall grade
Homeworks & quizzes	20% of your overall grade

Homeworks will be posted on my Blackboard website. A list of handouts out will also be posted. Some links to handouts will be listed.

I will use Blackboard Learn to email you. I will also post your scores from homeworks, quizzes, tests and papers on Blackboard Learn. Be sure to check emails from me a few times each week.

The grading scale is:

A: 90-100% B: 80-89% C: 70-79% D: 60-69% F: below 60%.

ABSENCE POLICY:

Attendance Policy

Attendance at **every** class meeting is essential to understanding the material. Unless you are an exceptionally gifted student, your grade will be positively related to the number of times you attend class. To encourage your attendance, I will give pop quizzes. These pop quizzes will determine if you know the general topics that will be lectured on that day. A few pop quizzes will be dropped. If you miss a quiz you will receive a zero and most likely it will be dropped unless you miss a significantly large number. It is to your advantage to take all of the quizzes so that you will be able to drop your lowest scores.

Also, please note that in accordance with university policy I will give students a WF for non-attendance starting on July 22, 2016 and running through Aug. 3, 2016. This applies only to students who have missed 50% or more of the scheduled classes.

If a student misses an exam without a university excuse, the student will receive a grade of zero. To the extent possible, please inform me in advance if you must miss an exam.

Cell Phones

Please turn off your cell phone or put on “vibrate” mode. I will grant you the same courtesy. It is disrespectful for any student’s phone to ring during class. Do NOT use your phone during class. Please be courteous.

COURSE OUTLINE

Notation: Tietenberg & Lewis textbook = T&L; Articles posted on Blackboard Learn = B

DATES	CHAPTERS	SUBJECT
July 11-12	1 (T&L)	Visions of the Future
(B)		Fullerton, Don and Robert Stavins. “How Economists See the Environment.” <i>Nature</i> , Volume 395, pp. 433-434, Oct. 1, 1998.
2 (T&L)		The Economic Approach: Property Rights, Externalities, and Environmental Problems
(B)		Ronald Coase “The Problem of Social Cost,” <i>Journal of Legal Studies</i> , (3), 1960, pp. 1-44. (I will cover this article, but in the interest of time, I am not requiring you to read this article. But some day you should! ☺)
(B)		Garrett Hardin “The Tragedy of the Commons,” <i>Science</i> , Vol. 162, No. 3859 (Dec. 13, 1968), pp. 1243-1248
(B)		“The Apples and the Bees” & “Experimental Test of Coase’s Theorem” pp. 475-476
(B)		Tim Tregarthen, “How Property Rights Tamed the West” <i>The Margin</i> , March/April 1991, pp. 14-15
(B)		Terry Anderson, “Getting the Incentives Right” <i>The Margin</i> Fall 1993 pp. 42-43
(B)		“More Dung, Please Vanishing Hippos Break a Food Chain” <i>Wall Street Journal</i> , Nov.19, 2005, pp. A1 & A8
(B)		John Anderson, “This Land Was Your Land” <i>Smart Money</i> , pp. 167-172.
(B)		Michael McPherson and Michael Nieswiadomy, “African Elephants: the Effect of Property Rights and Political Stability” <i>Contemporary Economic Policy</i> , Vol. 18(1), Jan. 2000, pp. 14-26.

July 13-14 3 (T&L) Evaluating Tradeoffs: Benefit-Cost Analysis and Other Decision-Making Metrics

4 (T&L) Valuing the Environment: Methods

Ecosystem Valuation website <http://www.ecosystemvaluation.org/>
You are only required to read the "Travel Cost Method". But it would be good to glance at the whole website.

- (B) Portney, Paul R. The Contingent Valuation Debate: "Why Economists Should Care". *Journal of Economic Perspectives* 8 (1994):3-17
- (B) Hanemann, W. Michael. "Valuing the Environment through Contingent Valuation." *Journal of Economic Perspectives* 8 (1994):19-43
- (B) Diamond, Peter A. and Jerry A. Hausman. "Contingent Valuation: Is Some Number Better than No Number?" *Journal of Economic Perspectives* 8 (1994):45-64
- (B) "Saving the Tuolumne," *Cases in Microeconomics*, Gomez-Ibanez, Jose A., & Joseph P. Kalt, pp. 189-200
- (B) "The Price of Life" *The Economist* Dec. 3, 1993 p. 74
- (B) "Too Much Safety" Walter Williams 9/5/2001
- (B) "Euthanizing the Value of a Statistical Life," Trudy Cameron, *Review of Environmental Economics and Policy*, (2010) 4 (2): 161-178

July 18 5 (T&L) Dynamic Efficiency & Sustainable Development

July 19 6 (T&L) Depletable Resource Allocation: The Role of Longer Time Horizons, Substitutes, and Extraction Cost

7 (T&L) Energy: Transition from Depletable to Renewable Resources

- (B) Hubbert's Peak Oil- "Nuclear Energy and the Fossil Fuels," by M. King Hubbert, presented at American Petroleum Institute, March 7-8-9, 1956.
- (B) "There Will Be Oil," *The Wall Street Journal*, Daniel Yergin, September 17, 2011

July 20 Exam 1

July 21, 2016 Last drop day with a "W" if not passing

July 21 8 (T&L) Recyclable Resources: Minerals, Paper, Bottles & E-Waste

July 25 9 (T&L) Water: A Confluence of Renewable and Depletable Resources

(B) "How the Corps Turned Doubt into a Lock," Michael Grunwald, *Washington Post*, Feb. 13, 2000, Page A1

July 26 10 (T&L) A Locationally Fixed, Multipurpose Resource: Land

July 27 11 (T&L) Storable, Renewable Resources: Forests

July 28 12 (T&L) Common Pool Resources: Commercially Valuable Fisheries

Aug 1 Exam 2

Aug 2-3 (T&L) Ecosystem Goods and Services: Nature's Threatened Bounty

- (B) Conflicts & Choices in Biodiversity Preservation, Andrew Metrick & Martin L. Weitzman *Journal of Economic Perspectives—Volume 12, Number 3—Summer 1998—Pages 21–34*
- (B) "Natural Exponential Functions and The Problem of Growth," *Fundamental Methods of Mathematical Economics*, 3rd ed., Alpha C. Chiang, pp. 274-282.
- (B) "Destroying the Environment: Government Mismanagement of our Natural Resources" National Center for Policy Analysis, John Baden, pp. 1-45
- (B) "Restructuring Environmental Big Business," Chris Boerner and Jennifer Chilton Kallery, Dec. 1994
- (B) "Are We Running Out of Everything?" S. Charles Maurice & Charles Smithson, pp.1-25
- (B) "With Trouble on the Range, Ranchers Wish They Could Leave It to Beavers" *The Wall Street Journal*, August 30, 2011

Aug. 3, 2016 Last day to withdraw from UNT by 5:00 pm. Verify this date.

Aug 4 & 8 14 (T&L) Economics of Pollution Control: An Overview

(B) Toward a New Conception of the Environment-Competitiveness Relationship: Porter & van der Linde

(B) Economic Incentives vs. Command and Control

Aug 9 15 (T&L) Stationary-Source Local and Regional Air Pollution

- 17 (B) What Can We Learn from the Grand Policy Experiment? Lesson from SO₂ Allowance Trading

Aug 10 16 (T&L) Climate Change

- (B) Climate Science: A Sensitive Matter, *The Economist*, Mar 30, 2013
17 (T&L) Mobile-Source Air Pollution

Aug 11 18 (T&L) Water Pollution
20 (T&L) The Quest for Sustainable Development

- (B) Confronting the Environmental Kuznets Curve, Susmita Dasgupta, Benoit Laplante, Hua Wang and David Wheeler. *Journal of Economic Perspectives*—Volume 16, Number 1—Winter 2002—Pages 147–168

Aug 12 Final Exam

Disability Accommodation

If you have a disability for which you will require accommodation under the terms of the Americans with Disabilities Act or Section 504 of the Rehabilitation Act of 1973, please discuss your needs with me after class or at office hours.

The Economics Department cooperates with the Office of Disability Accommodation (ODA) to make reasonable accommodations for qualified students with disabilities. If you have not registered with ODA, we encourage you to do so. Please present your written accommodation request on or before the 4th class day.

Cheating and Plagiarism

The Economics department of the University of North Texas adheres to the University's Policy on Cheating and Plagiarism. To view this policy go to www.vpaa.unt.edu.