

J.K. Boyce
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boyce@econs.umass.edu

Economics 797E: The Political Economy of the Environment

This course is a one-semester introduction to the political economy of the environment – that is, the analysis of how scarce environmental and natural resources are allocated not only among competing ends, but also among competing individuals, groups, and classes. It is intended for graduate students with prior background in microeconomics and resource economics.

Books: The following books are available at Amherst Books (8 Main St, Amherst):

Boyce, James K. (2002) *The Political Economy of the Environment*. Cheltenham: Edward Elgar.

Boyce, James K. and Barry G. Shelley, eds. (2003) *Natural Assets: Democratizing Environmental Ownership*, Washington, D.C., Island Press.

Cole, Daniel H. (2002), *Pollution & Property: Comparing Ownership Institutions for Environmental Protection*, Cambridge, Cambridge University Press.

Martinez-Alier, Joan (2003) *The Environmentalism of the Poor: A Study of Ecological Conflicts and Valuation*. Cheltenham: Edward Elgar.

Raffensperger, Carolyn and Tickner, Joel A. (1999) *Protecting Public Health & the Environment: Implementing the Precautionary Principle*. Washington: Island Press.

Shutkin, William (2000) *The Land that Could Be*. MIT Press.

Watts, Michael and Nancy Peluso, eds. (2001) *Violent Environments*, Ithaca, Cornell University Press

The books listed above are also available at the W.E.B. DuBois Library's reserve room.

Assignments and expectations will be explained in class.

**ECON 797E - SPRING 2004
READING LIST**

I. DISTRIBUTION

(a) Power and environmental protection

Boyce, James K. (2002) *The Political Economy of the Environment*. Cheltenham: Edward Elgar, chs. 1, 4, 6, 8.

Princen, Thomas (1997) 'The Shading and Distancing of Commerce: When Internalization Is Not Enough,' *Ecological Economics*, **20**, 235-253. Reprinted in T. Princen *et al.*, eds., *Confronting Consumption*, Cambridge, MA: MIT Press, 2002, ch. 5.

Pargal, Sheoli and Wheeler, David (1996) 'Informal Regulations in Developing Countries: Evidence from Indonesia,' *Journal of Political Economy*, **104**(6), 1314-1327.

Oates, Wallace P. and Portney, Paul R. (2003) 'The Political Economy of Environmental Policy,' in Karl-Goran Maler and Jeffrey Vincent, eds., *Handbook of Environmental Economics*, Volume 1. Amsterdam: Elsevier, ch. 8.

(b) Environmental justice

Szasz, Andrew and Meuser, Michael (1997) 'Environmental Inequalities: Literature Review and Proposals for New Directions in Research and Theory,' *Current Sociology*, **45**(3), 99-120.

Pastor, Manuel (2003) 'Building Social Capital to Protect Natural Capital: The Quest for Environmental Justice,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 4.

Bullard, Robert D. and Glenn S. Johnson (2000) 'Environmental Justice: Grassroots Activism and Its Impact on Public Policy Decision Making,' *Journal of Social Issues* **56**(3): 555-578.

Bouwes, Nicolaas *et al.* (2003) 'Information for Empowerment: The EPA's Risk-Screening Environmental Indicators Project,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 6.

Ash, Michael and T. Robert Fetter (2003) 'Who Lives on the Wrong Side of the Environmental Tracks?' forthcoming in *Social Science Quarterly*. Available at <http://www.umass.edu/peri/pdfs/WP50.pdf>.

(c) The 'environmental Kuznets curve'

Grossman, Gene M. and Krueger, Alan B. (1995), 'Economic Growth and the Environment,' *Quarterly Journal of Economics*, **60**, 353-377.

Boyce, James K. (2002), *The Political Economy of the Environment*. Cheltenham: Edward Elgar, ch. 5.

Barrett, Scott and Kathryn Graddy (2000), 'Freedom, Growth, and the Environment,' *Environment and Development Economics*, **5**, 433-456.

II. VALUATION

(a) Benefits and costs

Sen, Amartya (2000) 'The Discipline of Cost-Benefit Analysis,' *Journal of Legal Studies* 29: 931-952. [Available on LexisNexis.]

Freeman, A. Myrick, III (2003) *The Measurement of Environmental and Resource Values: Theory and Methods*. 2nd edn. Washington, DC: Resources for the Future, chs. 1-3.

Martinez-Alier, Joan and Martin O'Connor (1999) 'Distributional Issues: An Overview,' in J.C.J.M. van den Bergh, ed., *Handbook of Environmental and Resource Economics*, Cheltenham: Edward Elgar, ch. 25.

Martinez-Alier, Joan (2003) *The Environmentalism of the Poor: A Study of Ecological Conflicts and Valuation*. Cheltenham: Edward Elgar, chs. 1-6, 11.

Brown, Thomas C., and Robin Gregory (1999) 'Why the WTA-WTP Disparity Matters,' *Ecological Economics* 28: 323-335.

(b) Commensurability

Heinzerling, Lisa and Ackerman, Frank (2002) *Pricing the Priceless: Cost-Benefit Analysis of Environmental Protection*. Washington: Georgetown Environmental Law and Policy Institute.

Costanza, Robert *et al.* (1997) 'The Value of the World's Ecosystem Services and Natural Capital,' *Nature* 387: 253-260.

Sagoff, Mark (1988) *The Economy of the Earth: Philosophy, Law, and the Environment*. Cambridge: Cambridge University Press, chs. 1-4.

Boyce, James K. (2002) *The Political Economy of the Environment*. Cheltenham: Edward Elgar, ch. 2.

Dorman, Peter (1996) *Markets and Mortality: Economics, dangerous work, and the value of human life*. Cambridge: Cambridge University Press, ch. 3.

III. PROPERTY

(a) Property as social process: theory

Cole, Daniel H. (2002) *Pollution & Property: Comparing Ownership Institutions for Environmental Protection*, Cambridge, Cambridge University Press, chs. 1-4.

Sternier, Thomas (2003) *Policy Instruments for Environmental and Natural Resource Management*. Washington: Resources for the Future, chs. 5 & 10.

Bromley, Daniel (1991) *Environment and Economy: Property Rights and Public Policy*. Cambridge, MA: Blackwell, chs. 1-3.

(b) Property as social process: illustrations from US history

Freyfogle, Eric T. (2002) 'Community and Market in American Property Law,' in John F. Richards, ed., *Land, Property, and the Environment*. Oakland: Institute for Contemporary Studies, ch. 13.

Friedman, Gerald (2003) 'A Question of Degree: The Sanctity of Property in American Economic History,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 2.

McCarthy, James (2001) 'States of Nature and Environmental Enclosures in the American West,' in Michael Watts and Nancy Peluso, eds., (2001) *Violent Environments*, Ithaca, Cornell University Press, ch. 5.

Raymond, Leigh (2003) *Private Rights in Public Resources: Equity and Property Allocation in Market-Based Environmental Policy*. Washington, DC: Resources for the Future, chs. 1-3.

(c) Free-market environmentalism

DeAlessi, Louis (1998) 'Private Property Rights as the Basis for Free Market Environmentalism,' in Peter Hill and Roger Meiners, *Who Owns the Environment?* Lanham, MD: Rowman & Littlefield, ch. 1.

Cole, Daniel H. (2002) *Pollution & Property: Comparing Ownership Institutions for Environmental Protection*, Cambridge, Cambridge University Press, ch. 5.

Starrett, David A. (2003) 'Property Rights, Public Goods and the Environment,' in Karl-Goran Maler and Jeffrey Vincent, eds., *Handbook of Environmental Economics*, Volume 1. Amsterdam: Elsevier, ch. 3.

(d) Common property

Ostrom, Elinor (1990) *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press, ch. 1.

Cole, Daniel H. (2002) *Pollution & Property: Comparing Ownership Institutions for Environmental Protection*, Cambridge, Cambridge University Press, chs. 6-9.

Bromley, Daniel (1991) *Environment and Economy: Property Rights and Public Policy*. Cambridge, MA: Blackwell, ch. 6.

Kellert, Stephen R. *et al.* (2000) 'Community Natural Resource Management: Promise, Rhetoric, and Reality,' *Society and Natural Resources* 13: 705-715.

Baland, Jean-Marie and Jean-Philippe Platteau (2003) 'Economics of Common Property Management Regimes,' in Karl-Goran Maler and Jeffrey Vincent, eds., *Handbook of Environmental Economics*, Volume 1. Amsterdam: Elsevier, ch. 4.

Herring, Ronald J. (2002) 'State Property Rights in Nature (with Special Reference to India), in John F. Richards, ed., *Land, Property, and the Environment*. Oakland: Institute for Contemporary Studies, ch. 9.

Agrawal, Arun (1999) 'Enchantment and Disenchantment: The Role of Community in Natural Resource Conservation,' *World Development* 27(4): 629-649.

(e) Building natural assets

Boyce, James K. (2003) 'From Natural Resources to Natural Assets,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 1.

Bromley, Daniel W. (2000) 'Can Agriculture Become an Environmental Asset?' *World Economics* 1(3): 127-139.

Peña, Devon G. (2003) 'The Watershed Commonwealth of the Upper Rio Grande,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 9.

Brush, Stephen B. (2003) 'The Lighthouse and the Potato: Internalizing the Value of Crop Genetic Diversity,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 9.

Watson, Greg (2003) 'Can Natural Assets Help Address Urban Poverty?' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 14.

IV. GLOBALIZATION

(a) Markets

Boyce, James K. (2002) *The Political Economy of the Environment*. Cheltenham: Edward Elgar, ch. 7.

Zarsky, Lyuba (1997) 'Stuck In the Mud? Nation-States, Globalization and the Environment,' Paper prepared for the Globalization and Environment Study, OECD Economics Division, The Hague, May. Available at: http://www.nautilus.org/papers/enviro/zarsky_mud.html.

Boyce, James K. (2004) 'Green and Brown? Globalization and the Environment,' forthcoming in *Oxford Review of Economic Policy*.

(b) Governance

Mol, Arthur P.J. (2001) *Globalization and Environmental Reform: The Ecological Modernization of the Global Economy*. Cambridge, MA, MIT Press, ch. 3.

Peluso, Nancy Lee and Michael Watts (2001) 'Violent Environments,' in Watts and Peluso, eds., *Violent Environments*, Ithaca, Cornell University Press, ch. 1.

Bobrow-Strain, Aaron (2001), 'Between a Ranch and a Hard Place: Violence, Scarcity, and Meaning in Chiapas, Mexico,' Michael Watts and Nancy Peluso, eds., *Violent Environments*, Ithaca, Cornell University Press, ch. 7.

Fairhead, James (2001) 'International Dimensions of Conflict over Natural and Environmental Resources,' Michael Watts and Nancy Peluso, eds., *Violent Environments*, Ithaca, Cornell University Press, ch. 9.

Neumann, Roderick P. (2001) 'Disciplining Peasants in Tanzania: From State Violence to Self-Surveillance in Wildlife Conservation,' Michael Watts and Nancy Peluso, eds., *Violent Environments*, Ithaca, Cornell University Press, ch. 13.

V. POLICY: SELECTED ISSUES

(a) The precautionary principle

Jordan, Andrew and Timothy O’Riordan (1999) ‘The Precautionary Principle in Contemporary Environmental Policy and Politics,’ in Carolyn Raffensperger and Joel A. Tickner, eds., *Protecting Public Health & the Environment: Implementing the Precautionary Principle*. Washington, DC: Island Press, ch. 1.

Tickner, Joel A. (1999) ‘A Map Toward Precautionary Decision Making,’ in Carolyn Raffensperger and Joel A. Tickner, eds., *Protecting Public Health & the Environment: Implementing the Precautionary Principle*. Washington, DC: Island Press, ch. 9.

Kriebel, David *et al.* (2001) ‘The Precautionary Principle in Environmental Science,’ *Environmental Health Perspectives* 109(9): 871-6.

Harremoës, Poul *et al.* (2002) *The Precautionary Principle in the 20th Century: Late Lessons from Early Warnings*. London: Earthscan, for the European Environment Agency, chs. 1, 16, 17.

Sunstein, Cass R. (2003) ‘Beyond the Precautionary Principle,’ *University of Pennsylvania Law Review* 151: 1003-1058.

Dorman, Peter (2003) ‘Evolving Knowledge and the Precautionary Principle,’ draft manuscript.

(b) The polluter pays principle

Helfand, Gloria E. (1999) ‘Standards versus Taxes in Pollution Control,’ in J.C.J.M. van den Bergh, ed., *Handbook of Environmental and Resource Economics*, Cheltenham: Edward Elgar, ch. 15.

Stavins, Robert N. (2003) ‘Experience with Market-Based Environmental Policy Instruments,’ in Karl-Goran Maler and Jeffrey Vincent, eds., *Handbook of Environmental Economics*, Volume 1. Amsterdam: Elsevier, ch. 9.

Bovenberg, A. Lans (1999) ‘Green Tax Reforms and the Double Dividend: An Updated Reader’s Guide,’ *International Tax and Public Finance* 6: 421-443.

Tietenberg, Tom (1999) ‘Lessons from Using Transferable Permits to Control Air Pollution in the United States,’ in J.C.J.M. van den Bergh, ed., *Handbook of Environmental and Resource Economics*, Cheltenham: Edward Elgar, ch. 19.

OECD Joint Working Party on Trade and Environment (2002) ‘The Polluter-Pays Principle as It Relates to International Trade,’ Paris: OECD Environment Directorate and Trade Directorate, December. Available at: [http://www.oilis.oecd.org/oilis/2001doc.nsf/LinkTo/com-env-td\(2001\)44-final](http://www.oilis.oecd.org/oilis/2001doc.nsf/LinkTo/com-env-td(2001)44-final).

Nash, Jonathan R. (2000) ‘Too Much Market? Conflict between Tradable Pollution Allowances and the “Polluter Pays” Principle,’ *Harvard Environmental Law Review* 24: 465-535. [Available on LexisNexis.]

(c) Financial markets

D’Arista, Jane and Boyce, James K. (2002) ‘Where Credit is Due: Allocating Credit to Advance Environmental Goals,’ *Challenge*, 45(3), 58-82.

Seymour, Frances J. and Navroz K. Dubash (2000) *The Right Conditions: The World Bank, Structural Adjustment, and Forest Policy Reform*. Washington, DC: World Resources Institute, chs. 1, 4, 6.

(d) Brownfields redevelopment

Collins, Flannary P. (2003) 'The Small Business Liability Relief and Brownfields Revitalization Act: A Critique,' *Duke Environmental Law & Policy Forum*, 13(2): 303-328.

Dixon, K.A. (2003) 'Reclaiming Brownfields: From Corporate Liability to Community Asset,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*. Washington, DC: Island Press, ch. 3.

Medoff, Peter and Holly Sklar (1994) *Streets of Hope: The Fall and Rise of an Urban Neighborhood*. Boston: South End Press, chs. 5-6.

Shutkin, William A. (2000) *The Land That Could Be: Environmentalism and Democracy in the Twenty-First Century*. Cambridge, MA: MIT Press, chs. 4, 8.

(e) Certification

Conroy, Michael (2001) 'Can Advocacy-Led Certification Systems Transform Global Corporate Practices? Evidence, and Some Theory,' Amherst, Massachusetts, Political Economy Research Institute, Working Paper No. 21. Available at: <http://www.umass.edu/peri/pdfs/WP21.pdf>.

Gale, Fred (2002) 'Caveat Certificatum: The Case of Forest Certification,' in T. Princen, M. Maniates and K. Conca, eds., *Confronting Consumption*, Cambridge, Massachusetts, MIT Press, 275-299.

(f) Global climate change

Barnes, Peter and Breslow, Marc (2003), 'The Sky Trust: The Battle for Atmospheric Scarcity Rent,' in James K. Boyce and Barry G. Shelley, eds., *Natural Assets: Democratizing Environmental Ownership*, Washington, D.C., Island Press, ch. 7.

Agarwal, Anil and Narain, Sunita (1991) *Global Warming in an Unequal World: A Case of Environmental Colonialism*, New Delhi, Centre for Science and the Environment.

Baer, Paul *et al.* (2000) 'Equity and Greenhouse Gas Responsibility,' *Science*, **289**(29 September), 2287.

Bovenberg, A. Lans and Lawrence H. Goulder (2001) 'Neutralizing the Adverse Industry Impacts of CO₂ Abatement Policies: What Does It Cost?' in Carlo Carraro and Gilbert E. Metcalf, eds., *Behavioral and Distributional Effects of Environmental Policy*, Chicago: University of Chicago Press, ch. 2.

Hultman, Nathan E. and Daniel M. Kammen (2003) 'Equitable Carbon Revenue Distribution under an International Emissions Trading Regime,' paper prepared for the International Conference on Natural Assets, Philippines, January. Available at: <http://www.umass.edu/peri/pdfs/CDP5.pdf>.

(g) Diversity and resilience

Swanson, Timothy M. (1994) 'The Economics of Extinction Revisited and Revised: A Generalised Framework for the Analysis of the Problems of Endangered Species and Biodiversity Losses,' *Oxford Economic Papers* 46: 800-821.

Lovins, Amory B. and L. Hunter Lovins (1982) *Brittle Power: Energy Strategy for National Security*, Andover, MA: Brick House Publishing, chs. 3, 13. Available at: <http://www.rmi.org/images/other/S-BrPwr-Parts123.pdf>.

Rammel, C. and J. van den Bergh (2003) 'Evolutionary Policies for Sustainable Development: Adaptive Flexibility and Risk Minimizing,' *Ecological Economics* 47: 121-133.