



School of Social Sciences and Humanities (S3H)
National University of Sciences & Technology



Course Title: Economics of Environment and Natural Resources

Course Code ECO-682

Course Description:

This class will focus on studying the role of the environment in the theory and practice of economics. It will further examine the phenomenon of climate change and possible remedies using the policy. In this course you will learn to apply the efficient natural resource management.

Course Contents

- Introduction
Fullerton and Starvin, (1998). How do economists really think about the environment? *Nature*, 395 (6701), 433-434.
- Resources, property rights and externalities
Chapter 2: Property right. *The Economics of the Environment and Natural Resources*.
Hackett, Chapter 4
- Externalities and Pigovian Policy
Cropper, M. L., & Oates, W. E. (1992). Environmental economics: a survey. *Journal of Economic Literature*, 30(2), 675-740.
Keohane and Olmstad, Chapter 2, 5.
- Economics of Environmental Policy
Tietenberg and Lewis: Chapter 6.
Stern, Common and Barbier (1996). Economic Growth and Environmental Degradation: The Environmental Kuznets Curve and Sustainable Development. *World Development*, 27(7), 1151-1160.
- Economics of Pollution Control and Emissions Regulation
Tietenberg, Chapter 14 & 15.
Keohane and Olmstad, Chapter 9 & 10.
- Common Pool Resources
Hardin (1968). Tragedy of Commons, *Science*, 162(3859), 1243-1248.
Berkes, Feeny, McCay and Acheson, (1989). The benefits of the commons. *Nature*, 340, July 13, 91-93.

- Water Resources Economics
Tietenberg and Lewis, Chapter 9 & 18.
Young and Haveman (1985). Economics of Water Resources: A Survey Chapter 11, Handbook of Natural resources and Energy Economics, Edited by Kneese and Sweeney, Elsevier Pub.
- Climate Change and International Agreements
Hackett, Chapter 11.
Kolstad, C., (2005). Economics of climate policy, Handbook of Environmental Economics, Volume 3. Edited by K.-G. Mäler and J.R. Vincent.
Mills, Evan, (2005). Insurance in a climate of change, Science, Vol 309, 1040-1044.
- Environmental Valuation
Hackett, Chapter 7.
Cropper, M. L. (2000). Has economic research answered the needs of environmental policy? Journal of Environmental Economics and Management, 39(3), 328-350.

Recommended / Reference Books:

The readings will be assigned from the text given below. Additional readings will be assigned to supplement the text.

- Keohane N.O. Olmstad, S.M. (2007). Markets and the Environment, Island Press.
- Tietenberg, T., and Lewis, L., 2000. Environmental and Natural Resource Economics, 9th ed. Harper Collins College Publishers. New York, NY.
- Hackett, Steven C., 2011. Environmental and Natural Resource Economics, 4th Ed. M.E. Sharpe Inc. England.
- Baumol, W., Oates, W., The Theory of Environmental Policy, 2nd Ed. Cambridge University Press.
- Relevant research articles