

Environmental Economics for the Citizen

ECON 105-001 (3 credits)

Spring 2019

Monday and Wednesday, 1:30 pm – 2:45 pm

Location: Art & Design Building L008

Jordan K. Lofthouse

Department of Economics

jloftho2@gmu.edu

Office hours: Monday and Wednesday, 12:00 pm-1:00 pm, or by appointment. My desk is in Buchanan Hall, Suite D101. Look for signs that say, “F. A. Hayek Program” or “Mercatus Center,” which are the same place. Use the main entrance of the Mercatus Center, then turn left at the reception desk. Continue until you see a large room with several rows of desks. My desk is the first one on the left, number D134-1.

COURSE OBJECTIVES

This course fulfills a Mason Core Exploration Requirement for Social and Behavioral Sciences. This course investigates core economic principles and theories. The main goal is to introduce you to the economic way of thinking as it relates to environmental issues. In addition, a second aim is to help you use economic tools to understand and analyze the costs and benefits of various environmental policies. The economic way of thinking is not only applicable to environmental issues, but a wide array of social issues. This should be helpful to anyone who wants to understand and analyze social problems in a variety of contexts.

CLASS STRUCTURE

This course will consist of lecture and class discussion. The lectures and discussions are a way to learn and practice the economic way of thinking. This class is based in positive analysis, not normative analysis. In other words, we will focus primarily on “what is,” not “what should be.” All discussions will be framed around economic principles. Active participation in the class is encouraged and expected. There are no prerequisites for this class.

Diversity is one of the GMU’s core values. This class will support a diversity of perspectives, so please remember to be respectful of other people’s opinions and observations.

LEARNING OUTCOMES

Upon completion of this course, you will

1. Understand the economic way of thinking.
2. Be able to synthesize the economic way of thinking with a wide array of social-environmental issues and policies.

REQUIRED MATERIALS

Students will need to buy, rent, or borrow the following book:

- Terry L. Anderson and Donald R. Leal. 2015. *Free Market Environmentalism for the Next Generation*. New York: Palgrave Macmillan.

Additionally, short readings/videos/podcasts will be assigned during the semester as supplements to the main textbook, but these are accessible online. The links to the readings/videos/podcasts are listed in the schedule below.

SCHEDULED OUTLINE OF COURSE EVENTS

I reserve the right to make adjustments if it becomes necessary, but I will limit changes as much as possible. If a change to the schedule occurs, I will post an announcement in Blackboard, so please be sure to check Blackboard regularly.

Week 1 - Introduction to Economics

January 23 - Class Orientation and The Economic Way of Thinking

Week 2 - Basic Economic Principles

January 28 - Basic Economic Principles - Rational Choice and Incentives

- “Incentives Matter” By Russell Roberts
<https://www.econlib.org/library/Columns/y2006/Robertsincentives.html>
- *Applied Mainline Economics*, “Chapter 2 The Core Themes of Mainline Economics” by Matthew Mitchell and Peter Boettke
https://ppe.mercatus.org/system/files/appliedmainline_fulltext.pdf

January 30 - Basic Economic Principles - Market Process and Institutions

- *Applied Mainline Economics*, “Chapter 3 Market Process Economics” by Matthew Mitchell and Peter Boettke
https://ppe.mercatus.org/system/files/appliedmainline_fulltext.pdf
- *Applied Mainline Economics*, “Chapter 4 Institutions and Culture” by Matthew Mitchell and Peter Boettke https://ppe.mercatus.org/system/files/appliedmainline_fulltext.pdf

Week 3 - Basic Economic Principles - Marginalism and Unintended Consequences

February 4 - Basic Economic Principles (Marginalism and Opportunity Cost)

- “Marginalism” By Steven E. Rhoads
<https://www.econlib.org/library/Enc/Marginalism.html>
- “Opportunity Costs: The Broken Window”
<https://www.youtube.com/watch?v=HR2mxZX1B9w>
- “Unintended Consequences” By Rob Norton
<https://www.econlib.org/library/Enc/UnintendedConsequences.html>

February 6 - Basic Economic Principles (Property Rights, Coase Theorem)

- “The Role of Property Rights As An Institution: Implications for Development Policy” by Karol Boudreaux <https://www.mercatus.org/system/files/Property%20Rights.pdf>

Week 4 - Private Sphere vs Public Sphere

February 11-

- *Applied Mainline Economics*, “Chapter 5 The Political Process” by Matthew Mitchell and Peter Boettke https://ppe.mercatus.org/system/files/appliedmainline_fulltext.pdf

February 13-

- “Public Choice,” By William F. Shughart II,
<https://www.econlib.org/library/Enc/PublicChoice.html>
- “Virginia School of Political Economy I: An Introduction to Public Choice.”
https://www.youtube.com/watch?time_continue=54&v=4XsR82AUBIc

Week 5 - What Are Environmental Problems?

February 18

- Free Market Environmentalism (FME) Chapter 1 Visions of Environmentalism

February 20

- “Terry Anderson on the Environment and Property Rights,” EconTalk podcast, <http://www.econtalk.org/terry-anderson-on-the-environment-and-property-rights/>

Week 6 - Ecology and Society Are Dynamic!

February 25

- FME Chapter 2 Rethinking the Way We Think

February 27 - First op-ed assignment is due at the beginning of class (no reading reaction)

- “Saving African Rhinos: A Market Success Story,” by Michael ‘t Sas-Rolfes and edited by Laura Huggins, <https://www.perc.org/wp-content/uploads/old/Saving%20African%20Rhinos%20final.pdf>

Week 7 - Property Rights

March 4

- FME Chapter 3 Who Owns the Environment?

March 6

- **Midterm Exam**

Week 8 - Spring Break

March 11 - No class

March 13 - No class

Week 9 - Public Lands, Public Problems

March 18

- FME Chapter 4 This Land Is Whose Land?

March 20

- “Is Yellowstone National Park In Danger Of Being 'Loved To Death'?” NPR from April 18, 2016, <https://www.npr.org/2016/04/18/474658536/is-yellowstone-national-park-in-danger-of-being-loved-to-death>

Week 10 - What To Do About Energy

March 25

- FME Chapter 5 Prospecting for Energy and the Environment

March 27

- “Regulating Monopolies: A History of Electricity Regulation” by Lynne Kiesling in conjunction with Learn Liberty, <http://www.learnliberty.org/videos/regulating-monopolies-history-electricity-regulation/>

Week 11 - Water Scarcity and Water Markets

April 1

- FME Chapter 6 Tapping Water Markets

April 3

- “David Zetland on Water,” EconTalk podcast, <http://www.econtalk.org/david-zetland-on-water/>

Week 12 - Issues with Fisheries

April 8

- FME Chapter 7 Fencing the Fishery

April 10

- “The Tragedy of the Commons” - Marginal Revolution University video, <https://www.youtube.com/watch?v=bs2P0wRod8U>

Week 13 - Community-Based Solutions and Nobel Laureate Elinor Ostrom

April 15 - Second op-ed assignment is due at the beginning of class (no reading reaction)

- FME Chapter 8 Calling on Communities

April 17

- “Bloomington School of Political Economy III: The Continuing Relevance of Institutional Analysis,” Mercatus Center at George Mason University. https://www.youtube.com/watch?time_continue=557&v=TTK1bAIO7MQ

Week 14 - Entrepreneurs Meet Environmental Problems

April 22

- FME Chapter 9 Enviropreneurship in Action

April 24

- “Your Next High-End Safari Destination: The Plains of Montana,” Brad Wieners. Bloomberg. <https://www.bloomberg.com/features/2016-american-prairie-reserve/>

Week 15 - The Hardest Cases in Environmental Problems

April 29

- FME Chapter 10 Frontiers of Free Market Environmentalism

May 1

- “Interview with Nobel prize winner Elinor Ostrom on climate change,” Irin News, <http://www.irinnews.org/feature/2012/04/25>

Week 16 - Final Exam Week

Wednesday, May 8, 1:30 pm – 4:15 pm

GRADING AND ASSIGNMENTS

Grades will be based on the following:

- Reading Reactions (30% of total grade)
- Op-ed Writing Assignments (20% of total grade)
- Midterm Exam (20% of total grade)
- Final Exam (30% of total grade)

Grading Scale

A+	97-100	B+	87-89	C+	77-79	D	60-69
A	93-96	B	83-86	C	73-76	F	<60
A-	90-92	B-	80-82	C-	70-72		

(Grades will be rounded to the nearest whole number. For example, an 89.5 will be rounded to a 90).

Reading Reactions: Short reading reactions will be administered at the beginning of every class throughout the semester, **starting January 28th**. The reading reactions are meant to demonstrate your engagement with the readings as listed above. Come to class prepared to write about and discuss the

readings that are listed for each day in the scheduled outline of course events. For example, there are two readings listed on January 28th. The reading reaction on January 28th will pertain to those two readings.

There are no makeup reading reactions, and students must be on time to receive a reading reaction. Once collected, reading reactions will not be distributed to latecomers. No reading reactions will be administered on exam days or days when op-ed assignments are due.

The four lowest reading reaction grades will be dropped at the end of the semester to provide some flexibility.

Op-ed Writing Assignments: You are assigned to write two op-eds in the semester. The purpose of these op-eds is for you to apply the economic way of thinking to a current event on an environmental topic. These op-eds are a chance for you to share your opinion that is informed by economic thinking. Grades will not be based on your opinion but will be based on your ability to persuasively use the economic way of thinking to demonstrate why your opinion is valid. Op-eds are a chance to be creative and show your personality. Using the economic way of thinking does not mean that writing has to be boring. One op-ed is due at the beginning of class on **February 27th**, and the other is due at the beginning of class on **April 15th**. Please email op-eds to jloftho2@gmu.edu.

More specific instructions and a rubric for the op-ed assignments will be made available early in the semester. The instructions/rubric will allow students to know what is expected in the op-ed assignments and how they are going to be graded. **No late op-ed writing assignments will be accepted**, so please be proactive and manage your time accordingly.

Midterm Exam: The purpose of the midterm exam is to demonstrate an understanding of the economic principles that have been taught to that point. The exam will consist of short-answer questions and essay questions. The topics covered on the test will be based on the readings and the class lecture/discussion. No cell phones, computers, or other devices that can connect to the internet are allowed during exams. Make-up midterm exams will only be given to students who contact me about an emergency before the exam.

Final Exam: The purpose of the final exam is to demonstrate a comprehensive understanding of economic principles that were taught throughout the course. The exam will consist of short-answer questions and essay questions. The topics covered on the test will be based on the readings and the class lecture/discussion. No cell phones, computers, or other devices that can connect to the internet are allowed during exams. There will be no make-up final exams, except for extreme circumstances that will be decided on a case-by-case basis.

TUTORING SERVICES

Tutoring support is provided by the Economics department for introductory classes, such as this one. The tutoring is available on a walk-in basis and will occur in the tutoring room in D150 of Buchanan Hall. The tutors are primarily provided to students in Econ 100, 103, 104, 105, and 385 sections. Students in other undergraduate courses may also request assistance from the tutors, if the tutor has expertise in that course material and if no students are waiting. Priority for tutoring is always given to the students in the courses listed. Please see this link for more information:
<https://economics.gmu.edu/undergraduate/advising/tutoring>.

TECHNOLOGY

Regarding electronic devices (such as laptops, cell phones, etc.), please be respectful of your peers and your instructor and do not engage in activities that are unrelated to class. Such disruptions show a lack of professionalism. If disruptions become too severe, you may be asked to leave class.

SPECIAL ACCOMODATIONS

If you have a documented learning disability or other condition that may affect academic performance you should: 1) make sure this documentation is on file with Disability Services (SUB I, Rm. 4205; 993-2474; <http://ds.gmu.edu>) to determine the accommodations you need; and 2) talk with me to discuss your accommodation needs. Please see me immediately following the first class so that we can work together to make sure that you have what you need to succeed in this course. Visit <http://ds.gmu.edu/> for more information on resources available to students at GMU.

POLICY REGARDING AUDIO/VIDEO RECORDING & PICTURES

For the privacy and comfort of your fellow students, audio and video recordings, as well as photography, is strictly prohibited during class.

ACADEMIC DISHONESTY

Cheating will not be tolerated and can result in a failing grade, dismissal from class, and expulsion from the university. If I suspect you of cheating, I will seek the appropriate punishment under George Mason University guidelines. Please review the George Mason University Honor System and Code. Please visit <http://oai.gmu.edu/> to familiarize yourself with the full terms of the GMU Honor Code.

NOTICE OF MANDATORY REPORTING OF SEXUAL ASSAULT, VIOLENCE, AND STALKING

I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

PRIVACY

Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of any course. Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.